

## City Council Approves \$1.8 Billion 5-Year Capital Plan

*Higher GO bond issues in budget intended to support Dudley Plan and underfunded projects*

Boston's five-year capital plan (FY13-FY17), approved by the City Council on June 27th, totals \$1.84B. This budget will enable the City to catch up on capital improvement projects after the recent economic downturn stalled many planned initiatives. It will also help mitigate a decrease in federal funding for capital projects.

This year's five-year capital plan includes 336 new and continuing projects and proposes \$214.9M in new project authorization. [See highlights.](#)

### Capital Funding

Sale of GO bonds are planned to fund 66.6% of all project costs with federal funds expected to support 17.9% and state funds 11.4% of total costs. The City plans to issue \$210M in GO bonds in FY13, up from \$122M in FY12 and \$145M in FY14. The amounts over \$120M in the next two years (\$90M in FY13 and \$25M in FY14) are earmarked for the Dudley Square Plan. For each of the following three years (FY15-FY17), the City will issue GO bonds of \$120M.

Debt service will rise by 31.2% over the next five years, but will still remain below the City's debt standard of 7% of the operating budget. In FY12 debt service represented 5.6% of the operating budget.

### Project Type

The FY13 capital budget allocates 42% of funds for upkeep, 31% for upgrades, 26% for new/major rehabilitation and 1% for planning and matching needs. Some funds dedicated to the upkeep and upgrades support investments that will decrease operating expenses. The replacement of more than 10,000 street lights

with new energy efficient LED street lights is estimated to save \$2.4M in FY12 and FY13.

As shown below, four departments account for two-thirds of the total capital budget over the five years.

### GO Funding by Department

FY13-FY17

\$ in millions

Department	Amount	%
Public Works	\$293.0	23.9%
School	229.1	18.6%
Prop. Const.& Mgt.	216.2	17.6%
Parks	90.3	7.4%
Dept. Innovation & Tech	85.8	7.0%
Library	75.4	6.1%
Other	238.7	19.4%
<b>Total</b>	<b>\$1,228.5</b>	<b>100.0%</b>

### Schools

Capital plans for the School Department total \$229.1M over five years which does not meet the total infrastructure requirements of the BPS' 125 school facilities. Of that total, \$18.4M will be applied to implement the [Access to Excellence Plan](#) which will add 1,544 seats to 10 high performing schools by 2020.

### Dudley Square Plan

[The Dudley Square Plan](#), the single largest element in the capital plan, accounts for \$187.6M over five years, with the rehabilitation and expansion of the Ferdinand Building for the new School Department headquarters costing \$115M. Work on the Ferdinand Building is underway, but it represents an opportunity cost in light of the total school facility capital needs.