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2019 State of the City Speech

Good evening, Mr. President and members of the City Council. Thank you for giving me the opportunity so speak with you and the greater Beverly community this evening. I'd like to take you through some of the work we are currently and will be engaged in over the coming months. This is not meant in any way to be an exhaustive summary of the city's anticipated 2019 work, rather a snapshot of where we are and what we hope to accomplish on some of our specific shared priorities.

Tonight, I lead with an update on our efforts to address Climate Change. I do this because of the urgency of the issue. Last fall, the United Nations Global Climate Change Committee released a report sounding the alarm and calling on countries, corporations, and the world community to chart an aggressive and necessary course to limit global warming to 1.5 degrees Celsius between now and the end of the century. Whether or not this target is attainable depends on many variables – our shared priority has to be to do our parts as private citizens and as local leaders in our small city of 41,000 people. Beverly is one of thousands of cities worldwide, and Massachusetts is one of many state/regional levels of government, that have made commitments to decrease our global warming causing greenhouse gas emissions and transition our own fuel consumption to clean renewable sources as soon as possible.

Climate change is here, its impacts being felt here in Beverly – for example, in the volatility of our weather, with more disruptive and damaging storms than we are used to. Tidal storm surges have caused flooding as recently as during the Nor'easters of last winter, significant damage having been done to our coastal assets, including the sea walls at Lynch Park.

As a city, we have been working to mitigate the impacts that climate change is already having, as well as taking steps to adapt by decreasing our greenhouse gas emissions. On the mitigation front, we are currently completing a plan through the state's Municipal Vulnerability Program, funded by a \$35,000 grant. This plan will help us better understand and identify our vulnerabilities such as in-land flooding, drought, heat wave, and issues related to sea level rise. Once this plan is complete, we will be eligible for capital funds through the state's Executive Office of Energy and Environmental Affairs to improve our city's infrastructure, for example by upgrading our storm water management systems, rebuilding our sea walls, and more, making us more resilient to climate change. As we design our new police station,

we are planning to raise the ground level on the site by several feet to guard against future flooding concerns.

On the adaptation front, our city has been a green community under the Massachusetts Green Communities Act for several years. We have secured state grant money year after year to improve energy efficiency at many of our school and municipal buildings. Beyond this, we are currently focused on the following:

- Finalizing details on a 4.9 Megawatt solar array on the former city landfill along Rte. 128 North between Exits 19 and 18. The city will execute a Power Purchasing Agreement with the solar developer, making this clean renewable energy possible while saving the city money on our electrical bills and bringing an annual lease payment to the city.
- Working with the respondents to our recent solar RFP to develop 4.4 Megawatts in additional clean solar renewable energy at our middle school and high school, as well as three municipal parking lots and City Hall and the Senior Center. Our team is working with our volunteer Clean Energy Advisory Committee on this and other clean energy initiatives. Also, I want to note that the City Council has been and continues to be an active and supportive partner on both solar projects, and the School Committee is a similarly important and supportive partner on the pending solar RFP I just described. Thank you, All.
- Regarding our trash waste stream, with over 1,000 households already composting food waste, and with food waste a significant contributor to greenhouse gas emissions from planting right through consumption, spoilage, and the discarding of unconsumed food, we are exploring how we can better prevent food waste through a more coordinated local food donation system and by removing more of our food waste from our trash by various recycling opportunities. Our volunteer Waste Reduction Committee is proving to be wonderful partners in the pursuit of these and other recycling goals.
- Also, I want to remind everyone that we together approved the city's purchase of LED lights, and we're in the midst now of switching out all 3,800 of Beverly's street lights – an initiative that will allow us to better manage our electricity use, provide more energy efficient, and better, higher quality lighting, reducing electricity consumption and saving the city money.
- Our efforts to reduce the greenhouse gas impacts of our city vehicle fleet, as well as make some inroads in cutting emissions citywide are multi-pronged:
- First, our efforts to improve intersections throughout Beverly – for example, the two roundabouts project at Brimbal Avenue, the roundabout on Essex Street at exit 18 in Centerville, and the intersections by the North Beverly Fire Station on Rte. 1A, lower Cabot and Rantoul Streets by our harbor front, and others are all designed to move traffic more efficiently and safely, thereby also decreasing traffic congestion and idling time.
- Second, we plan to launch a last mile commuter shuttle later this spring to bring train commuters from the Beverly Depot to their offices at the Cummings Center, Cell Signaling Technology, and the businesses in the Cherry Hill Industrial Park, our goal being to incentivize employees of these companies to get out of their cars and take the train and shuttle to and from work each day. This two year pilot program will be paid in part through a state grant, as well as in part by donations from participating employers.
- Third, with thousands of car trips each school day being made by families to drive their children to and from our public schools, we continue to explore whether and how to offer school bus

service to more of our students. Currently, only about 1,500 of our 4,700 students are transported by bus. We continue to refine the opportunities and financial requirements of increasing our transportation offerings, and we look forward to working with my colleagues on the School Committee, school administrators, school families, the City Council, and community members on this effort.

- Fourth, we continue to work with our state partners in the Governor's office, the Department of Energy Resources, and the Executive Office of Energy and Environmental Affairs, as we try to green our city's vehicle fleet through retrofits of existing gas and diesel powered vehicles to become Electric Vehicle hybrids, as well as replacing older heavy duty Department of Public Services equipment such as backhoes, front loaders, and our chipping truck with cleaner burning vehicles. All this as we push towards our transition to renewable Electric school buses and other municipal vehicles as soon as the technology is reliable. At present, we have or are applying for various state, federal, and private sector grants to achieve these goals.
- Fifth, for the last year, I have been participating as a member of the Governor's Rail Visioning Committee, exploring how to improve and modernize the region's commuter rail system. Together with the work of the Governor's Commission on the Future of Transportation, it is clear that what is needed in Massachusetts is a complete 21st Century modernization of public transit including rail, subway, and bus, together with improving roads and bridges, and passing strong policy around the incentives, regulations, and investments necessary to power the whole transportation system largely on clean renewable energy over the next twenty-five years. As a member of the Rail Visioning Committee, I am also working with our region's mayors and other local leaders to more comprehensively understand our options and to advocate for the best way we collectively can meet this challenge of ensuring our region's economic viability, mobility, transition to clean energy, and overall livability for the next one hundred years.

Turning to other topics now, we know that an ever-increasing number of our friends and neighbors have been devastated by opioid addiction. We all continue to combat this crisis on all fronts. The City, through a regional grant and with the support of Lahey Health, now has a social worker available to support our police CIU in assisting individuals who are at high risk for opioid addiction or overdose.

What has become clear as communities grapple with this crisis, is that a root cause of the problem is that drug manufacturers, for years, engaged in a massive false marketing campaign designed to increase the demand for dangerous opioids and to minimize the risk of addiction. And, drug distributors failed to comply with their duty to identify and halt suspicious orders of opioid prescriptions, which contributed to the diversion of prescriptions into Beverly and an illegal secondary market.

Today, after months of preparation and the assistance of a consortium of national and local law firms known as the Massachusetts Opioid Litigation Attorneys, the City filed a lawsuit in federal district court against major pharmaceutical companies and distributors in order to hold them accountable for their actions and to help bring an end to this public health crisis and some relief to the City.

As we invest together in our physical infrastructure, there are a number of projects that we will move forward significantly in 2019.

Our new police station is currently in the schematic design phase. We have retained CBRE/Heery as our Owner's Project Manager, Kaestle Boos as our design/architecture firm, and we will select our Construction Manager later this week. As City Council members know, the station will be built on a two

acre parcel of land in the front of the Cummings Center, land secured in a land swap some twenty years ago with our partners at Cummings Properties. The parcel is located to the right of the main entrance to the campus, between the small ATM building and the train tracks, and is currently being used as parking.

Further, as City Councilors know, the projected cost of the new police station is in the range of \$24 Million, while renovations to our current police station will be undertaken after the new station is built in order to house city departments that we don't have space for in the current city hall footprint.

Regarding our harbor front and our long awaited waterfront restaurant at the former McDonald's building, we are working to bring a proposed ground lease and a Special Tax Assessment agreement before the City Council and will ask that you take action to approve these documents at your March 18th meeting. The restaurant/development team, which was selected through our 2018 RFP process, plans to immediately begin the state and local permitting processes in hopes of breaking ground later this calendar year and opening their new restaurant in Summer 2020.

In 2019, we will continue to dedicate as much new money as possible to fix more local roads and sidewalks. As Councilors know, we use a detailed pavement scoring system in an effort to prioritize streets most in need of replacement, while we attempt to use other techniques such as crack sealing and grind and inlay work to extend the life span of other streets that we cannot repave yet due to the realities of limited budgets.

One major project will be the Cabot Street complete streets project, which will rebuild a stretch of downtown Cabot Street from Pond St. to Abbott and Bow Streets. This project will rebuild the drainage system under the street, replace sidewalks, street lights, and add streetscape such as bike racks and plantings. It will also more uniformly redefine the street, narrowing the travel lanes at points and building bump outs at several key intersections, all calculated to calm and slow vehicle traffic, make our downtown more pedestrian and bike friendly, and strengthen our downtown economy. National Grid will soon begin laying a new gas main under the street, and the city will be upgrading our water and sewer infrastructure over the next couple of months in preparation for the project work to begin this spring. Our goal is to complete this project this calendar year. We are working with property owners, business owners, and residents along the corridor, as well as our partners at Beverly Main Streets and the Greater Beverly Chamber of Commerce to manage these improvements as well as we collectively can, and we will work tirelessly to help everyone thrive throughout the course of the work.

Over the last several months, we have developed a process for all pedestrian safety concerns and requests that are brought to City Councilors, mine, and other city officials' attention. I want to thank members of the City Council for your good work in focusing on such issues, which has greatly aided the professionals in our Planning and Engineering Departments, and my office in their work in this area. First, all requests for the city to do something more at a crossing or intersection will be evaluated by the Engineering Department through a series of criteria we have identified and/or developed during this process; if an intersection or crossing passes the threshold for a new or different treatment than at present, then the Engineering Department will consider a range of possible responses, such as better lighting, targeted enforcement, crosswalk, Rapid Flashing Beacon, pedestrian light, fully signalized intersection and/or reconstruction of an intersection. These will then be vetted with City Councilors, interested residents, and other city officials. Once a treatment is agreed upon, the last step will be to identify funding and make any agreed upon changes. As this process is still being finalized, we look

forward to meeting with Councilors to model and begin to apply this process to requests and concerns that continue to come our way.

I want to share a brief update on retail marijuana. As City Councilors know, the voters of Beverly approved the establishment of retail marijuana stores in Beverly during the 2016 presidential election, as nearly 80% of Beverly voters voted, and 54% of them voted in favor of this new law. Thus, we as Mayor and City Council cannot say no to these new stores. Let me say this again – we, the Mayor and the City Council cannot say no to this new industry and these new businesses coming to Beverly – the voters passed the law by approving the 2016 ballot initiative. What we can do, and what we have done to date, is to zone for their siting. We have passed a zoning ordinance that allows these stores in the downtown, in other business zones, and in our commercial/industrial zones. There are buffer zones, not allowing stores to be close to schools, parks and playgrounds, child care sites, and our public library. Further, there is a buffer zone intended to prevent several of the four (the number of marijuana retail stores we are required to allow) stores being clustered in the same part of town. We have published our pre-application requirements and have commenced discussions with several interested businesses. We will likely reach agreements on one or more Host Community Agreements over the next few months, with our first store not likely to open until much later in 2019 or early 2020. We are taking great care to ensure the integrity of this process, including making sure we mitigate any potential negative impacts as this new legal industry comes to Beverly.

Back to desperately need infrastructure in Beverly,

- We have made great strides over the past year in advancing two key affordable housing projects that will meet a deep housing need for our community. With your partnership and work among several City Boards and Commissions the 40R Smart Growth Overlay District was adopted in late 2017.
- We have subsequently worked with Harborlight Community Partners to advance their project to provide 75 units of affordable family housing units. A mix of these units will be made available to families earning 30% and 60% of the Area Median Income, with a set aside for families at risk of becoming homeless.
- The first phase of the project was approved by the Planning Board this past fall, and the Beverly Affordable Housing Trust Board, as well as the Community Preservation Committee and City Council all committed funding to the project this winter. I have worked aggressively to communicate my support, and the broader community's support, of this project to the Department of Housing and Community Development. Harborlight Community Partners submitted their application to DHCD for affordable housing tax credits in February; it is our hope the funding will be allocated in this current round to facilitate start of construction in 2020.
- We have also worked diligently with the YMCA of the North Shore and Harborlight Community Partners to advance redevelopment of the Cabot Street Y. This important project includes rehabilitation and expansion of the existing 45 SRO units, and will provide an additional 24 studio apartments to individuals, the majority of which will serve individuals earning at or below 50% of Area Median Income.
- The Cabot House received local entitlements this past summer, and received local commitment of funding from both the Beverly Affordable Housing Trust, HOME funds, and by the Beverly Community Preservation Committee. As with the Anchor Point project I am actively advocating that DHCD issue affordable housing tax credits in the current round.

- Both of these projects are important in meeting our community's housing needs as identified in the work conducted by the Regional Taskforce addressing homelessness, and so clearly illustrated in the Beverly Comprehensive Housing Plan.

Again, I thank the City Council for your strong support of these two projects in working with my administration to lay the groundwork - implementing policy and regulations and authorizing funding as recommended by the CPC to move these two projects forward.

- As you remember, in 2016, we convened the Briscoe Middle School Municipal Reuse Committee. The Committee was tasked with exploring reuse options for Briscoe - in particular, the feasibility of a municipal use for the building. Following a deep analysis of multiple redevelopment scenarios, in light of municipal facility needs, it was determined that the cost of consolidating municipal offices to the Briscoe Middle School was too great for the community to bear – simply put, to rehabilitate Briscoe to accommodate city offices and to build a police station there would cost roughly \$60 Million, while building the new police station on the city land in the front of the Cummings Center would cost less than half of that.
- Since that time we have held multiple public meetings to identify priorities for reuse of the School. We have also worked with multiple non-profit and for profit development firms with experience in adaptive reuse of historic buildings. Our outreach has been guided by an interest in ensuring a redevelopment that meets several community objectives, and is economically viable for the long term.
- Working with the community we have identified a number of priorities, namely saving the historic school, and saving our onsite green space, both the land in front of the school and the playing field behind the building for public use and enjoyment. We also understand there is a need and an interest to provide high quality senior housing that includes an affordability component. Other land uses we expect to highlight and prioritize in an RFP process include workforce affordable housing, particularly Live/Work housing, Co-Working Space that could include a Maker Space or business incubator component, and lodging facilities.
- I look forward to working together with the City Council in the coming months as we issue a RFP seeking proposals that offer creative adaptive reuse proposals for Briscoe by a qualified developer who will deliver a redevelopment consistent with the community's stated objectives.

The city's financial health is one of our greatest shared accomplishments to date.

Benefiting from a healthy economy and various new growth opportunities throughout the City in recent years has helped a great deal in providing a solid financial footing for Beverly. In calendar year 2018, we built our Stabilization or Rainy Day Fund to a new high of just over 10% of our annual General Fund operating budget. As of today that stabilization fund sits at \$13.5M and will serve the city well to stabilize any future deterioration in the economy and decrease in revenues that the city relies on each year to provide the high quality level of services our citizens expect and deserve. While this is a great achievement, I do want to put that in perspective. The City currently operates at a \$130M annual budget and spends roughly \$2.5M each week in operation costs. In FY2018, for the second year in a row, the City also received a certificate of achievement for excellence in financial reporting which is the highest recognition in governmental accounting and financial reporting. This past year, the city's long

term bond rating was upgraded. For the second time in five years, Standard and Poors has improved the City's borrowing rating, which translates to savings to all the taxpayers in the City, by reducing future interest expenses. Beverly sits among a well regarded class of municipalities at the AA+ rating. All this news is good; however the city faces some difficult budgeting years in the near future as we bring on the remainder of the Middle School debt (a project completed within the existing levy limit) and costs associated with the new police station. In addition, the city must remain cautious in our growth to ensure we will have the capacity to deliver services not only in the near future, but beyond, for our children and grandchildren. We will continue to be mindful of growing healthcare costs, our debt commitments, and OPEB and pension costs, all of which are increasing at rates greater than our operating budget is able to grow and all of which will require careful attention and planning going forward.

I finish tonight with a request – we have recently hired a consultant to help us write a new master plan for the city. Our master plan, which has served the community well, is now fifteen years old, and it's time to reenage in a community wide conversation about our hopes and dreams, our goals, and our values as a community. This new plan will govern how we approach economic investment and housing development, and how we secure the resources year over year to deliver the high quality and critical city services the people of Beverly count upon, and much, much more. We need every neighborhood in Beverly to participate; we need every generation and every stakeholder group represented. There will be many opportunities to engage. Please stay tuned. I ask you City Councilors as partners in government, and everyone who lives, works, studies, and cares about this community to get involved. This year is the time, and we are excited for the conversation. Thank you, All.