

Capital Subcommittee

Hearing on Article 12

September 12, 2016, 5:30 pm, Room 408, Towh Hall

Attendees: Melissa Goff, Joe Viola, Carla Benka, Cliff Brown, Fred Levitan, Harry Friedman, Pam Lodish, Neil Wishinsky, Thomas Vitolo and David Kroop.

Article 12

Submitted by: Board of Selectmen

In November, 2005 Town Meeting authorized the Selectmen to enter into a lease in order to construct a Distributed Antenna System (DAS). The Town is nearing the end of its lease period with Extenet Systems and would like to ask Town Meeting for authority to either extend or enter into a new lease agreement.

What town meeting is being asked to vote on is to either renew or extend the least for another 10 years. Last Town Meeting voted on this matter, 2005, we did not have a provider selected. Long-term telecommunication leases (defined as ten years) are subject to M.G.L.c30B and require, according to the Town's By-law, the approval of Town Meeting.

A distributed Antenna System (DAS), consists of small boxes and whip antennas placed on utility poles. Related mechanical equipment can be located at a distance from the poles and are connected by underground cables.

By way of background, ExteNet is a "neutral" provider of space on poles for various mobile providers – Verizon, ATT, T-Mobile and Sprint. The applicant proposes to install 13 new DAS nodes, including 7 replacement poles, 5 new utility poles and an exchange of equipment on 1 existing pole. New conduits, fiber optic cables and equipment will be placed on each pole. Neighborhoods where additional nodes will be located include Brookline Village, Aspinwall Hill, Fisher Hill and the Town Green area (east of the Brookline Reservoir). This should result in better wireless cell and data service to Brookline residents and other in the Town. According to the Planning Board, the new poles will be an improvement because the existing ExteNet wires are on the outside of the poles and the new wires will be inside the poles.

Moved by Fred Levitan, seconded by Pam Lodish, the capital subcommittee voted unanimously to support Article 12.

Advisory Committee
Capital Subcommittee
September 15, 2016

Warrant Article 20

On September 12, 2016, the Advisory Committee's Capital Subcommittee held a public hearing on Article 20. Present were subcommittee members Carla Benka, Cliff Brown, Fred Levitan, Harry Friedman and Pam Lodish. Members of the public were Selectman Neil Wishinsky, Thomas Vitolo and David Kroop. Joe Viola represented the petitioner, the Department of Planning and Community Development.

Article 20 asks Town Meeting to authorize the Board of Selectmen to enter into a long-term contract of up to ten years with a to-be-determined operator to support the Town's participation in the Hubway regional bicycle share program. Any such contract would begin in 2017 at the expiration of the current contract.

Summary

Article 20 is required because the Selectmen are seeking to negotiate and enter into a contract that is longer than allowed by the State's statutory procurement guidelines. The Selectmen are seeking this authority as the ability to consummate a long-term contract is expected to provide the Town, and the other communities in the regional Hubway system, the most operational and financial flexibility in further expanding the system. By a vote of 5-0, the subcommittee recommends FAVORABLE ACTION on Article 20.

Background

The Hubway system is a consortium of four municipalities (Brookline, Boston, Cambridge and Somerville) that work together in an attempt to provide a robust bicycle-sharing system in the metro-Boston area. Brookline, Cambridge and Somerville joined the consortium in 2012 after it was launched in Boston in 2011. Brookline currently owns four stations and 36 bicycles, the acquisition of which were funded by federal funds, along with one-time private contributions from Boston Children's Hospital and Partner's Health Care. Post-launch, federal and private dollars and shared net profit have subsidized Brookline's operating expenses since 2012.

Although the Hubway system in general has experienced substantial growth, increasing from 61 stations and 610 bikes in 2011 to 169 stations and 1,600+ bicycles in the spring 2016, Brookline's portion of the system has not added any new bicycles or stations since 2013. The lack of additional stations and cycles are a function of economics. A new station costs approximately \$50,000 and the

associated bicycles (9) cost \$1,200 each. It is estimated that Brookline should have a total of 19 stations for it to become a truly viable part of the Hubway system. The capital cost of that expansion approximates \$912,000. Unlike the other participating municipalities Brookline has not been able/chosen not to attract private/institutional station sponsorships, or generate significant associated revenue, to support an investment into the system.

Further, operational analyses show that Brookline's approach to funding costs associated with the Hubway program is insufficient to support growth. While it is possible that current revenues, augmented by increased advertising/sponsorship could cover existing operating expenses, they are inadequate to fund any meaningful capital expenses.

The existing contract with the current operator, Motivate International, expires in April of 2017. Motivate acquired the original operator, Alta Bicycle Share, Inc, in 2014. During the ownership transition, all of the Hubway communities experienced a decline in service, and consortium members determined that changes to the financial and operational models were needed for the system to thrive. The expiration of the contract presents the consortium with the opportunity to try and implement desired changes.

The consortium has issued a Request for Proposals (RFP) through the Metropolitan Area Planning Council (MAPC) for a new system operator. The RFP was designed in a manner that provides consortium members to negotiate contracts with an operator that could, and hopefully will, enable a member to, if they so chose, shift significant financial risk onto the operator. Whether any respondents to the RFP will actually entertain such an arrangement remains to be seen. Responses to the RFP are due by Friday, September 16th.

Under the relevant provisions of Massachusetts General Laws Chapter 30B, s. 12, the approval of Town Meeting is required to authorize the Town to enter into a contract of this nature for a period of greater than three years. If passed by Town Meeting, this article will authorize the Selectmen, and give them the flexibility, to enter into a longer-term contract with the operator. It is believed that only through the availability of long-term commitments will any operator or sponsor be willing to seriously consider shouldering the financial risks that the consortium members are seeking to shift to the operator.

Discussion

Subcommittee members asked many questions that essentially allowed them to 'come up to speed' with regard to the history of Hubway and Brookline's current involvement. Significant discussion centered on how other consortium members, in particular Boston and Cambridge, have financed their growth (mainly through substantial institutional partnerships and advertising revenue). It was explained to the subcommittee why Brookline's current inventory of stations and bikes are insufficient to both create local excitement and be a viable member of the

consortium, (ideally, a community should have stations every quarter mile or 'within site' of another station).

Though not all members agree that there are substantial long-term benefits to bicycle sharing, there was consensus that bike sharing continues to enjoy rapid growth in major metropolitan areas, which is indicative of significant demand for the service.

There was also agreement that Brookline, if it is to expand its inventory and meet its perceived obligations as a consortium member, needs some creative approaches to financing the necessary growth.

Article 20, while not promising that any such creative financing mechanism will be found, at least provides the Selectmen with the flexibility they need to explore options that can lead to long-term solutions.

The subcommittee voted 5-0 to recommend FAVORABLE ACTION on Article 20.