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Secretary Matthew Gorzkowicz  
State House Room 373  
Ex. Office of Administration & Finance  
Boston, MA 02133

December 21, 2023

### **Subject: Recommendations for Consideration in the Governor's FY25 Budget**

Governor Healey & Secretary Gorzkowicz:

On behalf of A Better City's nearly 130 member businesses and institutions, thank you for the opportunity to submit recommendations for consideration as you refine your FY25 budget proposal. A Better City is grateful for the ongoing collaboration of your administration in advancing the policies and projects needed to enhance Greater Boston's economic competitiveness, sustainability, and future equitable growth.

Thanks to your leadership, General Manager Phil Eng and the Massachusetts Bay Transportation Authority (MBTA) are making meaningful progress toward getting the system back on track and addressing decades of under investment. Additionally, your administration is making great strides in tackling climate change and creating the green economy of the future by taking a whole of government approach. At this critical juncture, the FY25 state budget can build upon this progress and advance some of your administration's most pressing transportation and climate objectives.

### **TRANSPORTATION**

#### **1) Increase Financial Support for the MBTA's Operating Budget**

The MBTA is facing a significant operating budget deficit for FY25. In the next six months, the MBTA will reach a fiscal cliff that could jeopardize our economic, environmental, and transit equity goals. Additional funding support from the state budget is needed to avoid cuts in transit service and the MBTA's ability to comply with critical safety improvements. The MBTA's operating budget deficit is expected to reach almost \$200 million next year, and we ask that the state budget recommendations include a new line item for the MBTA—funded either by general state revenues, increases to Transportation Network Company (TNC) surcharges (Uber/Lyft rides and food deliveries), or other sources.

#### **2) Optimize Fair Share Funds**

The MBTA's State of Good Repair backlog has more than doubled since 2019—and it is impacting safety, service, and ridership. To address this massive capital infrastructure challenge that is essential to achieving both transportation and emissions reduction goals, the Commonwealth will need a new transportation finance plan. The State Department of Revenue predicts that the Fair Share surtax will generate between \$1.777 billion and \$2.127 billion in revenue in FY25. To optimize these funds to address critical transportation needs, A Better City recommends a three-step approach:

1) dedicate no less than 50% of Fair Share revenue to transportation; 2) authorize a borrowing plan against 50% of the Fair Share revenue to establish a long-term transportation finance plan; and 3) assess strategies to leverage the \$1 billion in Fair Share revenue that is slated to be held in reserve in FY25. A Better City estimates that authorizing a borrowing plan against 50% of the Fair Share revenue, which can be done through one Outside Section, would allow for a 10-year, \$12 billion capital spending plan to address critical capital and related operating needs of the MBTA, Regional Transit Authorities, and municipalities. This approach is modeled after the successful 2008 Accelerated Bridge Program and can create a financial plan sufficient to achieve many of the goals of Healey-Driscoll Administration.

### **3) Establish an Equitable Mobility Pricing Commission**

To lay the foundation for longer-term transportation finance planning, A Better City recommends establishing an Equitable Mobility Pricing Commission to investigate, study, and make recommendations on the development and deployment of comprehensive and regionally equitable public transportation pricing, roadway pricing, and congestion pricing. It is clear that the Commonwealth's aging transportation system will require new sources of revenue to meet the current and emerging needs of the region and to respond to and prepare for the worsening impacts of climate change. A Better City would be honored to serve on the Commission to contribute past research, to support data analysis, and to reflect the perspectives of the Greater Boston business community.

### **4) Catalyze Modeshift Through Bikeshare and E-Bike Rebates**

Bikeshare systems like [ValleyBike in Central Mass](#) and [Bluebikes in Metro Boston and Salem](#), which have enabled modeshift for short trips across the Commonwealth, are currently eligible for capital costs only through the Shared Streets & Spaces grant program. To support bikeshare systems across the state, A Better City recommends creating a \$25 million bikeshare fund that is flexible to cover both capital and operating costs. A Better City also urges the Governor to direct MassDOT to convene a working group to review current bikeshare business models, future demand projections, and potential benefits of greater state coordination and integration with public transit systems. A Better City is also encouraged that the Massachusetts Clean Energy Center is currently developing a new statewide e-bike rebate program that is likely to reach capacity very quickly. Because 57% of all trips in the Commonwealth are three miles or less, e-bikes present a unique opportunity to scale near-term emissions reduction through mode shift from cars and would be a meaningful investment in support of our statewide 2025 Clean Energy & Climate Plan goals. A Better City recommends including \$15 million for this program and identifying options for recurring funding to reach the goal of providing 100,000 rebates by the end of FY26.

## **CLIMATE**

### **5) Support Decarbonization Demonstration Pilots in Large Existing Buildings**

A Better City appreciates the Healey-Driscoll Administration's leadership in establishing the Massachusetts Community Climate Bank, focusing on decarbonizing and retrofitting affordable housing. However, A Better City is concerned that there are not sufficient examples of deep energy retrofits across building typologies in large existing commercial and industrial buildings, particularly for hard-to-decarbonize buildings like healthcare, labs, and research institutions. Demonstration pilots across different building typologies would be immensely useful for decarbonization of large existing buildings, as they would provide replicable pathways for building retrofits. Providing financing for these initial projects, following the Massachusetts Community Climate Bank model for affordable housing, would be the most impactful solution to achieving our building sector emissions reduction targets. Similar to the [Empire Building Challenge](#) in New York, where NYSERDA provides \$50 million in seed funding (which has in turn been matched by upwards of \$250 million in private capital), A Better City recommends earmarking \$50 million for demonstration pilots in large, hard-to-decarbonize existing buildings as part of a Commonwealth Building Challenge.

## 6) Support Emissions Tracking Database for Large Existing Buildings

As per the Climate Act of 2022, Massachusetts established the first-ever state requirement for reporting of energy and emissions data in large existing buildings. While the recently released Climate Report Card includes a building dashboard that tracks sector-level data, no statewide database currently exists to track greenhouse gas emissions and energy data at the individual-building level for large existing buildings. An important near-term action to help implement our statutory climate commitments and track progress overtime would be to dedicate a line item of \$400,000 toward the creation of a publicly accessible emissions tracking database for existing buildings, prioritizing large buildings over 20,000 square feet at first, to be housed within the Department of Energy Resources and potentially administered in conjunction with the newly created Office of Climate Science. A Better City also recommends coordinating with the Global Warming Solutions Act Implementation Advisory Committee (IAC), and the IAC Building Working Group, on database design and implementation to track emissions and energy use in large existing buildings.

## 7) Establish Temperature and Air Quality Sensors in Environmental Justice Communities

A Better City appreciates the 2023 [ResilientMass Plan's](#) elevation of extreme heat as an urgent and increasing climate threat impacting all communities in Massachusetts, with disproportionate impact on environmental justice neighborhoods. A Better City supports the intent to establish a Heat Flag Warning System statewide in the next five years and urges the Commonwealth to consider data collection of temperature and air quality data as soon as possible. Placing temperature and air quality sensors strategically in priority neighborhoods now would help to establish baseline data prior to heat resilience interventions and would be helpful in customizing response to heat emergencies across neighborhoods. Such data could be housed within the newly formed Office of Climate Science and could be made available online for transparency and public awareness around heat stress and heat resilience opportunities. A Better City recommends earmarking an initial \$200,000 for the deployment of temperature and air quality sensors across Greater Boston environmental justice neighborhoods and in Gateway Cities, with funding included for integration and analysis of temperature and air quality data within the Office of Climate Science. Such sensors would be especially timely given the recent Climate Report Card that intends to track the impact of increased urban forestry and tree planting through the Greening Gateway Cities Program and other initiatives.

A Better City staff would be happy to answer questions and to meet with members of your team. Thank you for your consideration and for your leadership.

Sincerely,

A handwritten signature in black ink that reads 'Kate Dineen'.

Kate Dineen  
President and CEO  
A Better City

cc: Lieutenant Governor Kim Driscoll  
Secretary Monica Tibbits-Nutt, Transportation  
Secretary Rebecca Tepper, Executive Office of Energy and Environmental Affairs  
Chief Melissa Hoffer, Climate